

**GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA**

STARRED QUESTION NO:155

ANSWERED ON:08.03.2016

GM Cotton Seeds

De(Nag) Dr. (Smt.) Ratna;Singh Shri Bhola

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether the Government has taken note of the near monopolistic control of the cotton seeds market by the company producing and selling GM cotton seeds, if so, the details thereof and the response of the Government thereto;
- (b) whether the Government has sought a probe into the domination of the US seed company by the Competition Commission of India and if so, the details and the outcome thereof;
- (c) whether the Government has imposed price control on GM cotton seed and if so, the details thereof and its impact on seed prices; and
- (d) the steps taken/proposed to ensure adequate supply of quality cotton seeds to farmers at reasonable and competitive prices?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 155 DUE FOR REPLY ON 8TH MARCH, 2016.

(a) to (c): The Department of Agriculture, Cooperation and Farmers Welfare had received representations from National Seeds Association of India and Farmers Organizations regarding monopolistic and unfair trade practices followed by Mahyco-Monsanto Biotech (India) Pvt. Ltd.(MMBL) in the supply of Bt. cotton seed to the farmers. In order to safeguard the interests of the farming community, this Department issued the Cotton Seeds Price (Control) Order, 2015 under Section 3 of the Essential Commodities Act, 1955 to regulate Bt. cotton seed prices. As per the Cotton Seeds Price (Control) Order, 2015, a Committee has been constituted to recommend the maximum sale price of Bt. cotton seed after taking into consideration the components of seed value, license fee which includes one time and recurring royalty (trait value), trade margins and other taxes. The Government shall notify the maximum sale price of Bt. cotton seeds on or before 31st March of every year applicable for the next financial year. Based on the representations, this Department had also made a reference to Competition Commission of India for investigation of dominance of MMBL and abuse of monopoly in Bt. cotton technology so as to ensure competition in the market for supply of Bt. cotton seed. After finding prima facie cause, the Competition Commission of India has ordered for investigation of the matter by Director General, Investigation, Competition Commission of India.

(d): Both the public and the private sector have a role in the supply of quality seeds to the farmers including Bt. cotton. As Bt. cotton seed is licensed by technology provider viz. MMBL to 50 licensees, the private sector plays a major role in production and supply of Bt. cotton seeds. Some State Governments have

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also passed state level legislations to ensure supply of Bt. Cotton seeds to the farmers. However, as there was no uniformity in pricing of Bt. cotton seeds across the country, the Central Government has recently intervened and issued a Cotton Seed Price (Control) Order, 2015 to fix a uniform price of Bt. cotton seed across the States in the country, to be notified on or before 31st March of every year for the next financial year, for the benefit of farmers.
